Government of Saskatchewan

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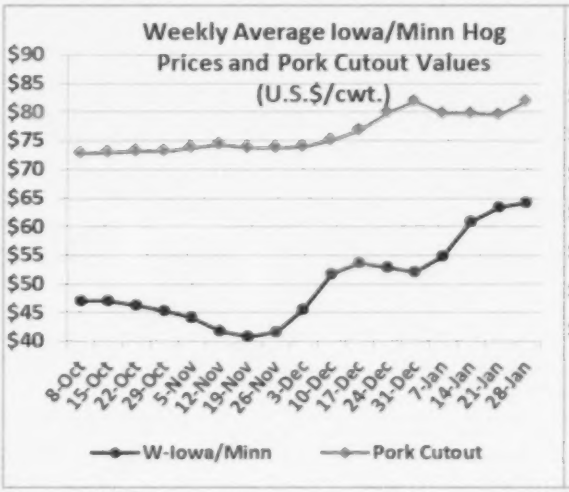
Weekly Hog Report

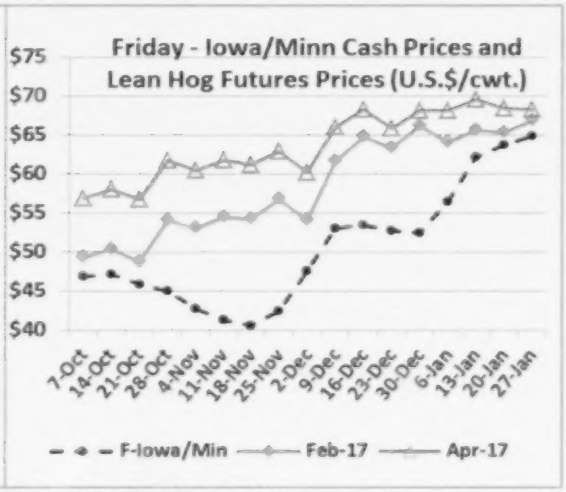
January 30, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) continued to edge higher last week. Hog prices on Friday January 27 averaged US$64.89 per cwt, up US$1.15 per cwt or 1.8 per cent from US$63.74 per cwt the previous Friday. The negotiated weekly base price last week averaged US$64.05 per cwt, up US$0.76 per cwt or 1.2 per cent from US$63.29 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

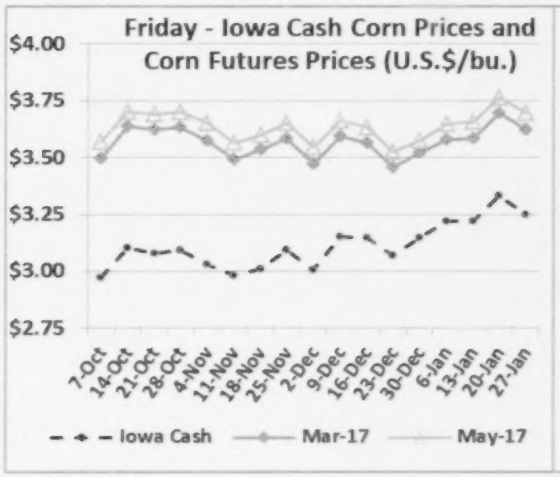
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday January 27, 2017 was $156.80 per ckg, down $0.85 per ckg or 0.5 per cent from $157.65 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $157.06 per ckg, up $3.60 per ckg or 2.3 per cent from the previous weeks' average price of $153.46 per ckg. The Canadian dollar moved higher later in the week to settle Friday at 76.12 cents, up 1.08 cents from 75.04 cents the previous Friday. The higher Canadian dollar versus the U.S. dollar was negative for Canadian hog prices.

Futures Markets

United States lean hog futures daily prices were mixed last week and ended mixed, week-over-week. The nearby February contract increased US$1.600 per cwt to settle Friday at US$66.900 per cwt. The April 2017 lean hog futures contract declined US$0.175 per cwt last week to settle Friday at US$68.300 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were overall higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$53.57 per head, up US$0.16 per head from US$53.41 per head the previous week. Feeders (40lb) averaged US$69.78 per head, up US$2.17 per head from US$67.61 per head, the previous week.



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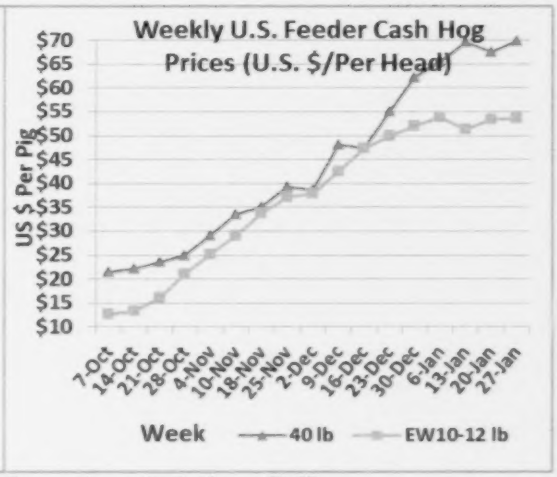


Source: Iowa Agriculture, CME

U.S. corn prices were primarily lower last week. Iowa cash corn prices settled Friday at US$3.25 per bushel, down eight cents from US$3.33 per bushel the previous Friday. The March corn futures contract declined over seven cents to settle Friday at US$3.62 ½ per bushel, while the May 2017 corn contract declined 6 ½ cents per bushel to settle Friday at US$3.69 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending January 28 were estimated at 2.367 million head, up 1.6 per cent from 2.329 million head the previous week, and up 2.0 per cent from 2.320 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.291 million head, down 1.4 per cent from 2.324 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending January 21, 2017 were estimated at 448,003 head, down 0.3 per cent from 449,407 head the previous week, but up 3.0 per cent from 434,778 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 381,104 head, down 6.1 per cent from 406,009 head over the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers for the week ending January 21, 2017 were estimated at 181,369 head, down slightly from 181,733 head the previous week, but up 4.5 per cent from 173,531 head the same week a year ago.

Meat Production
U.S. pork production for the week ending January 28, 2016 was estimated at 503.7 million lb., up 2.2 per cent from 493.0 million lb. the previous week, and up 1.0 per cent from 494.5 million lb. the same week a year ago. Pork production over the last four week's ending January 28 was estimated to average 487.5 million lb., down 2.0 per cent from 497.3 million lb. over the same four week period a year ago.

U.S. beef production for the week ending January 28 was estimated at 480.1 million lb., up 1.3 per cent from 473.9 million lb. the previous week, and up 1.4 per cent from 473.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending January 21, 2017, was estimated to average 1.993 billion lb., up slightly from 1.991 billion lb. over the same four weeks a year ago.

Cutout Values
U.S. national pork cutout values for the week ending January 28, 2016 averaged US$81.79 per cwt, up $2.21 per cwt or 2.8 per cent from US$79.58 per cwt the previous week, and up 7.1 per cent from US$76.37 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending January 28, 2016 averaged US$192.09 per cwt over the week, up slightly (US$0.44 per cwt) from US$191.65 per cwt the previous week, but down 13.2 per cent from US$221.40 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending January 28, 2016 averaged US$104.36 per cwt, up US$4.35 per cwt or 4.3 per cent from US$100.01 per cwt the previous week, but down 8.0 per cent from US$113.45 per cwt the same week a year ago.

Meat In U.S. Cold Storage
USDA released the latest U.S. cold storage numbers on January 24, 2017. The United States' pork stocks in cold storage totaled 477.2 million lb. on December 31, 2016, down 12.5 per cent from 545.7 million lb. on December 31, 2015, and down 8.0 per cent from 518.8 million lb. on November 30, 2016. U.S. pork stocks in cold storage for December 2016 was below the 12-year average and down significantly from a few months ago. A big decline in ham inventories over the last month helped cold storage numbers move lower.

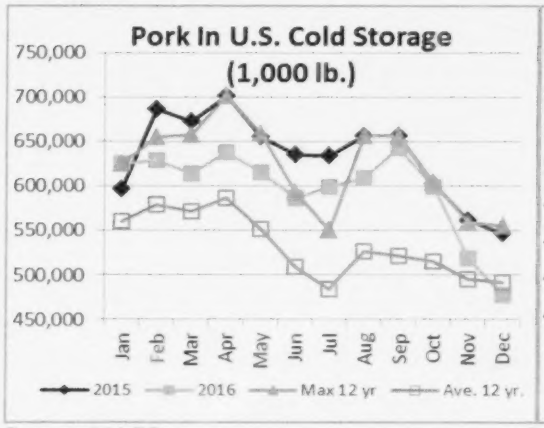
United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**31-Dec-2015**	**30-Nov-2016**	**31-Dec-2016**
Pork	545,696	518,813	477,214
Beef	512,524	530,953	567,002
Chicken	861,639	790,952	809,781
Turkey	201,011	236,862	279,193
Total Combined	**2,120,870**	**2,077,580**	**2,133,190**

Source: NASS

The U.S. beef stocks in cold storage totaled 567.0 million lb. on December 31, 2016, up 10.6 per cent from 531.0 million lb. on November 30, 2016, and up 6.8 per cent from 512.5 million lb. on Dec. 31, 2015. U.S. beef stocks in cold storage at the end of December 2016 established a new all-time record high for the last 12 years.

Total pork, beef, chicken and turkey in cold storage on December 31, 2016 were at 2.133 billion lb., 2.7 per cent above the November 30, 2016 storage numbers, and 0.5 per cent above the December 2015 numbers. U.S. meat in cold storage was above the 12-year average but below previous record high numbers established in September 2016.



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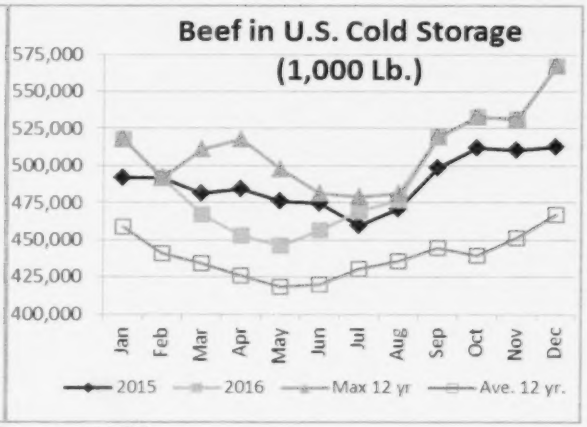

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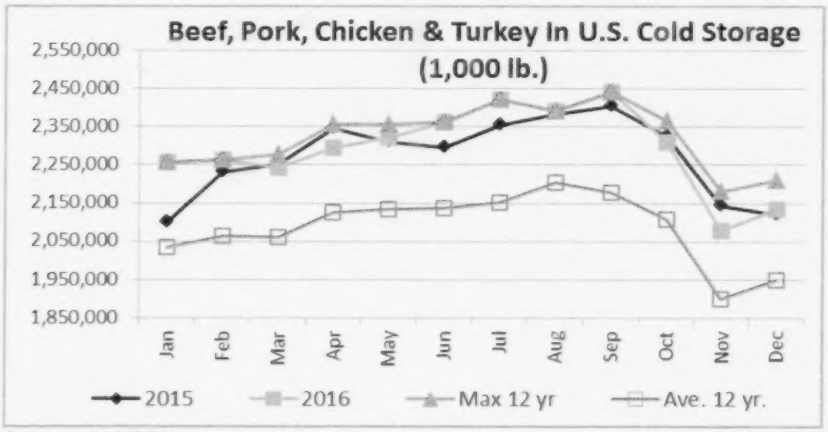

Source: NASS

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